

LINE ITEM AND BOILERPLATE SUMMARY

COMMUNITY COLLEGES

**Fiscal Year 2002-03
Public Act 161 of 2002
Senate Bill 1100**

As Enacted

Prepared and Compiled by:

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December 2002

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December 2002

To: Members of the House of Representatives

We have prepared a Line Item Summary for each of the FY 2002-03 appropriation acts. Each Summary contains line-by-line detail, including the amount and purpose of each appropriation line and information regarding related boilerplate sections, for a specific appropriation act. Following the line item detail, we have included a section that provides a brief explanation of each boilerplate section in the appropriations bill. Please note that ~~strikeouts~~ in this report show the effects of vetoes.

This Line Item Summary explains line items in the *enacted* Community Colleges Appropriations Bill, Public Act 161 of 2002. This report was prepared by Caven A. West, Fiscal Analyst, with assistance from Barbara Graves, Budget Assistant.

If you would like to obtain a Line Item Summary for a particular budget area, please contact Jeanne Dee, Administrative Assistant, at 373-8080.

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GLOSSARY

Frequently-Used State Budget Terms

Adjusted Gross

Total net amount of all line item gross appropriations less (or minus) interdepartmental grants (IDGs) and intradepartmental transfers (IDTs)

Boilerplate

Specific language sections contained in an appropriations act which direct, limit or restrict line item expenditures, and/or require reports

Budget Stabilization Fund (BSF)

The countercyclical economic and budget stabilization fund—also known as the "rainy day" fund

Federal Revenues

Federal grant or matchable revenues dedicated to specific programs

General Fund/General Purpose (GF/GP)

The state's primary operating fund; the portion of the state's General Fund that does not include restricted revenues

Gross Appropriations (Gross)

The total of all applicable line item spending authorizations

Interdepartmental Grant (IDG)

Revenue or funds received by one state department from another state department (usually for a service the receiving department provides)

Intradepartmental Transfer (IDT)

Transfers or funds being provided from one appropriation unit to another in the same department

Lapses

Unspent/unobligated funds remaining in line item accounts at the end of the fiscal year

Line Items

Specific funding amount in an appropriations bill which establishes spending authorization for a particular program or function (may be for a single purpose or for multiple purposes)

Local Revenue

Revenues from local units of government

State Restricted (Restricted Funds)

State revenue dedicated to a specific fund; revenue which results from state mandates or initiatives; used for used for specific programs pursuant to the Constitution or statute

Private Funds

Revenues from non-government entities such as rents, royalties or interest payments, payments from hospitals, payments from individuals, and gifts and bequests

School Aid Fund (SAF)

The primary funding source for K-12 schools and Intermediate School Districts (ISDs)

Work Project

An account established to allow for certain specific unspent funds to be carried over from one fiscal year to a succeeding fiscal year or years

COMMUNITY COLLEGES

The Michigan Constitution of 1963, 1964 Public Acts (PA) 193 and 287 and 1966 PA 331 created community college districts. The Constitution also established the State Board of Education for Public Community Colleges to advise the State Board of Education concerning community college issues. Furthermore, the Constitution made provision for locally-elected college boards and for the assessment, levy, and collection of local property tax receipts. The colleges are funded from four revenue streams: state aid, student tuition and fees, local property taxes, and private donations and federal grants.

Michigan's 28 community colleges are strategically located throughout the state to deliver "hands on" educational training to its customers. Community colleges offer a full range of programs that are two years or less in duration. This includes traditional transfer programs, technical training programs, certificate programs, and customized training or retraining for employees in high-skilled positions.

All community colleges have an "open door" admission policy that provides access to students who want to obtain a college education. Each institution strives to provide its community -- urban, suburban, or rural -- with relevant education that is cost effective.

GROSS APPROPRIATION	\$321,732,319	Total of all applicable line item appropriations; includes restricted revenues from the Merit Award Trust Fund.
Total interdepartmental grants and intra departmental transfers	0	Total of all funds received from other departments.
ADJUSTED GROSS APPROPRIATION	\$321,732,319	Net of gross appropriations, interdepartmental grants, and intra-departmental transfers.
Total federal revenues	0	Total federal grant or matchable revenues.
Total local revenues	0	Total revenues from local units of government.
Total private revenues	0	Total private grant revenues.
Total state restricted revenues	2,000,000	State revenue dedicated to a specific fund (other than the General Fund); or revenue earmarked for a specific purpose; funded from the Merit Award Trust Fund.
GENERAL FUND/ GENERAL PURPOSE	\$319,732,319	The state's primary operating fund; the portion of the state's General Fund that does not include restricted revenues.

SECTION 102: OPERATIONAL FUNDING

The Gast-Mathieu Fairness in Funding formula is the principal mechanism used to allocate operational funding for the colleges. Instituted in fiscal year (FY) 1984-85 to more fairly allocate state resources to the colleges, the formula calculates and distributes state aid based on audited instructional and non-instructional expenditures from the previous two fiscal years. The formula then deducts revenues received from local property taxes, tuition and fees, and revenues from other sources (such as private donations and federal grants) to determine the amount of state aid for each college. The across-the-board distribution method is often used along with the formula to allocate state funds.

The Legislature maintains the FY 2001-02 funding level for the colleges. The following distribution depicts operational funding for each community college. These figures do not include appropriations for the At-Risk Student Success program, the Renaissance Zone Tax Reimbursement program, or the Postsecondary Access Student Scholarship program.

For all items in this section:

Funding Source(s): GF/GP 315,504,216

Related Boilerplate Section(s): 202, 211, 212, 215, 228

Alpena Community College	5,311,973	Appropriates operating funds for the college.
Bay de Noc Community College	5,129,944	Appropriates operating funds for the college.
Delta College	14,813,864	Appropriates operating funds for the college.
Glen Oaks Community College	2,485,512	Appropriates operating funds for the college.
Gogebic Community College	4,365,123	Appropriates operating funds for the college.
Grand Rapids Community College	18,633,380	Appropriates operating funds for the college.
Henry Ford Community College	22,708,494	Appropriates operating funds for the college.
Jackson Community College	12,570,441	Appropriates operating funds for the college.
Kalamazoo Valley Community College	12,825,971	Appropriates operating funds for the college.
Kellogg Community College	10,076,975	Appropriates operating funds for the college.
Kirtland Community College	3,058,415	Appropriates operating funds for the college.
Lake Michigan College	5,423,461	Appropriates operating funds for the college.
Lansing Community College	32,223,042	Appropriates operating funds for the college.
Macomb Community College	34,381,003	Appropriates operating funds for the college.
Mid Michigan Community College	4,586,420	Appropriates operating funds for the college.
Monroe County Community College	4,462,223	Appropriates operating funds for the college.
Montcalm Community College	3,227,530	Appropriates operating funds for the college.
Mott Community College	16,291,459	Appropriates operating funds for the college.
Muskegon Community College	9,271,134	Appropriates operating funds for the college.
North Central Michigan College	3,140,212	Appropriates operating funds for the college.
Northwestern Michigan College	9,460,166	Appropriates operating funds for the college.

Oakland Community College	21,687,988	Appropriates operating funds for the college.
St. Clair County Community College	7,264,610	Appropriates operating funds for the college.
Schoolcraft College	12,728,740	Appropriates operating funds for the college.
Southwestern Michigan College	6,832,843	Appropriates operating funds for the college.
Washtenaw Community College	12,937,228	Appropriates operating funds for the college.
Wayne County Community College	17,223,721	Appropriates operating funds for the college.
West Shore Community College	2,382,344	Appropriates operating funds for the college.
GROSS APPROPRIATION	\$315,504,216	Total of all applicable line items.
GENERAL FUND/ GENERAL PURPOSE	\$315,504,216	The state's primary operating fund; the portion of the state's General Fund that does not include restricted revenues.

SECTIONS 103 and 104: CATEGORICAL GRANTS AND FINANCIAL AID

This section highlights the At-Risk Student Success program, the Renaissance Zone Tax Reimbursement program, and the Postsecondary Access Student Scholarship (PASS) program.

The At-Risk Student Success program targets students who need remedial academic assistance. At-risk students must meet at least one of the following criteria: (a) the student must be enrolled in more than one developmental course, (b) the student must be diagnosed as disabled, (c) the student must require English as a second language assistance. At-risk funding is calculated using a base plus formula methodology. Each college receives a base grant of \$40,000, for a program total of \$1.1 million, irrespective of the number of at-risk students served. The remaining \$2.5 million is distributed based on the average number of preparatory and developmental contact hours generated during the three most recent academic school years. Appropriated amounts changed from FY 2001-02 due to the number of at-risk students served by the colleges.

The Renaissance Zone Tax Reimbursement program reimburses certain colleges whose taxing districts contain Renaissance Zone developments. Renaissance Zones reduce a college's property tax base. Funding for this program is calculated by assessing the taxable value of ad valorem homestead and non-homestead properties located within the confines of Renaissance Zone developments. The total taxable value is then adjusted for other tax exemptions. Finally, the adjusted taxable value is multiplied by a college's millage rate to determine the amount of reimbursement. For FY 2002-03, the Legislature allocated \$536,000 (GF/GP) for the program.

The FY 2002-03 budget also includes \$2.0 million in restricted revenue from the Michigan Merit Award Trust Fund to grant scholarships to students of low- and middle-income families under the Postsecondary Access Student Scholarship (PASS) program. The Program pays the difference between tuition and fee costs and the sum of competitive scholarships, Michigan tuition grants, the Federal Hope Scholarship tuition tax credit, and Pell grants for Michigan residents enrolled at community colleges, state universities offering associate degrees, and independent private colleges. To be eligible for scholarships, students are required to meet the following requirements: enrolled at least half-time pursuing an associate degree, and must have scored at a level 1 or level 2 on the high school Michigan Education Assessment Program tests in reading, writing, mathematics, and science. The Michigan Higher Education Assistance Authority administers the PASS program.

For all items in this section:

Funding Source(s):	Restricted GF/GP	2,000,000 4,228,103
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Related Boilerplate Section(s): 401

Alpena Community College	85,654	Appropriates grant funds for the at-risk student success program; \$18,350 decrease over FY 2001-02.
Bay de Noc Community College	93,194	Appropriates grant funds for the at-risk student success program; \$5,456 decrease over FY 2001-02.
Delta College	109,215	Appropriates grant funds for the at-risk student success program; \$1,025 decrease over FY 2001-02.
Glen Oaks Community College	138,528	Appropriates grant funds for the at-risk student success program; \$2,696 decrease over FY 2001-02.
Gogebic Community College	78,171	Appropriates grant funds for the at-risk student success program; \$731 decrease over FY 2001-02.
Grand Rapids Community College	88,959	Appropriates grant funds for the at-risk student success program; \$14,780 increase over FY 2001-02.
Henry Ford Community College	163,814	Appropriates grant funds for the at-risk student success program; \$993 decrease over FY 2001-02.

Jackson Community College	113,121	Appropriates grant funds for the at-risk student success program; \$647 decrease over FY 2001-02.
Kalamazoo Valley Community College	116,085	Appropriates grant funds for the at-risk student success program; \$2,586 increase over FY 2001-02.
Kellogg Community College	156,823	Appropriates grant funds for the at-risk student success program; \$1,520 decrease over FY 2001-02.
Kirtland Community College	169,343	Appropriates grant funds for the at-risk student success program; \$10,611 increase over FY 2001-02.
Lake Michigan College	186,759	Appropriates grant funds for the at-risk student success program; \$5,795 decrease over FY 2001-02.
Lansing Community College	162,796	Appropriates grant funds for the at-risk student success program; \$4,932 increase over FY 2001-02.
Macomb Community College	92,395	Appropriates grant funds for the at-risk student success program; \$1,357 increase over FY 2001-02.
Mid Michigan Community College	138,950	Appropriates grant funds for the at-risk student success program; \$9,531 increase over FY 2001-02.
Monroe County Community College	99,550	Appropriates grant funds for the at-risk student success program; \$275 increase over FY 2001-02.
Montcalm Community College	69,465	Appropriates grant funds for the at-risk student success program; \$2,229 decrease over FY 2001-02.
Mott Community College	111,102	Appropriates grant funds for the at-risk student success program; \$1,945 increase over FY 2001-02.
Muskegon Community College	209,919	Appropriates grant funds for the at-risk student success program; \$3,097 decrease over FY 2001-02.
North Central Michigan College	156,702	Appropriates grant funds for the at-risk student success program; \$21,634 decrease over FY 2001-02.
Northwestern Michigan College	129,025	Appropriates grant funds for the at-risk student success program; \$8,348 increase over FY 2001-02.
Oakland Community College	157,358	Appropriates grant funds for the at-risk student success program; \$1,996 decrease over FY 2001-02.
St. Clair County Community College	88,500	Appropriates grant funds for the at-risk student success program; \$8,087 increase over FY 2001-02.
Schoolcraft College	152,307	Appropriates grant funds for the at-risk student success program; \$2,143 increase over FY 2001-02.
Southwestern Michigan College	180,889	Appropriates grant funds for the at-risk student success program; \$257 increase over FY 2001-02.
Washtenaw Community College	170,388	Appropriates grant funds for the at-risk student success program; \$8,679 increase over FY 2001-02.
Wayne County Community College	142,398	Appropriates grant funds for the at-risk student success program; \$6,986 decrease over FY 2001-02.
West Shore Community College	130,693	Appropriates grant funds for the at-risk student success program; \$5,767 decrease over FY 2001-02.
SUBTOTAL: AT-RISK APPROPRIATIONS	\$3,692,103	Total of all applicable line items.
Renaissance zone tax reimbursement funding	536,000	Reimburses certain community colleges whose taxing districts contain Renaissance Zones.
<i>Related Boilerplate Section(s): 222</i>		

Postsecondary access student scholarship (PASS) program	2,000,000	Pays the difference between tuition and fees, the Hope Scholarship tuition credit, and all other financial aid for low- and middle-income students attending community colleges, state universities who offer associate degrees, and independent private colleges.
<i>Related Boilerplate Section(s): 401</i>		
SUBTOTAL: CATEGORICAL APPROPRIATIONS	\$2,536,000	Total of all applicable line items.
GROSS APPROPRIATIONS	\$6,228,103	Total of all applicable line items.
Total state restricted revenues	2,000,000	Revenues from the Michigan Merit Award Trust Fund.
GENERAL FUND/ GENERAL PURPOSE	\$4,228,103	The state's primary operating fund; the portion of the state's General Fund that does not include restricted revenues.

BOILERPLATE SECTION INFORMATION

Sec. 201. State Funds Distributed to Community Colleges

Spending from state resources to the 28 community colleges.

Sec. 202. Management and Budget Act

Subjects funds appropriated to the colleges to the Management and Budget Act.

Sec. 208. Posting Reports on the Internet

Requires the Department of Career Development (DCD) to post reports on the Internet.

Sec. 209. Purchase of Foreign Goods

Prohibits the colleges from using state funds to purchase foreign goods if comparable American products are available.

Sec. 210. Deprived and Depressed Communities

Encourages the colleges to award contracts to businesses in economically distressed areas.

Sec. 211. Financial Data

Authorizes the Department of Treasury to withhold appropriations if the colleges fail to submit financial data in a timely manner.

Sec. 212. Audited Financial Data

Requires Auditor General's office to audit financial data submitted to the state.

Sec. 213. Taxonomy Review

Requires that the DCD review classification of certain colleges.

Sec. 214. Record Retention

Requires the colleges to retain class summaries, class lists, registration documents, and other pertinent information for audit purposes.

Sec. 215. Financial Statements

Requires the colleges to submit audited financial statements to various state agencies.

Sec. 216. Retirement Contribution

Requires the colleges to contribute to the Michigan Public School Employees' Retirement System.

Sec. 217. Capital Outlay Funding

Prohibits the colleges from using state funds to construct or operate buildings not expressly authorized in the Community Colleges appropriation act.

Sec. 218. Employment Report

Requires the DCD to compile and distribute a report on the number of minorities employed by the colleges.

Sec. 219. Tax Increment Financing Revenue

Requires the Department of Treasury to collect revenue losses related to Tax Increment Financing Authorities.

Sec. 220. Special Maintenance Projects

Develops proposals and financing alternatives for special maintenance projects.

Sec. 221. North American Indian Tuition Waiver

Reports on the number of tuition waivers granted to North American Indian students at various colleges.

Sec. 222. Renaissance Zone Developments

Earmarks funds to reimburse certain colleges for tax revenue losses related to Renaissance Zone developments.

Sec. 223. Dual Enrolled Students

Requires the DCD to compile information on dual enrolled students at community colleges.

Sec. 224. Collaboration with Four-Year Universities

Encourages the colleges to collaborate with higher education institutions particularly in the areas of training, instruction, and program articulation.

Sec. 225. Access to Community College Services

Provides legislative intent language assuring that all citizens have access to quality community college services.

Sec. 226. Tuition Increase Report

Requires the colleges to report tuition increases to various state agencies.

Sec. 227. Degrees Awarded by Colleges

Requires the DCD to report on the number of degrees awarded by respective colleges.

Sec. 228. Gast-Mathieu Formula

Provides intent language to fully fund the Gast-Mathieu Formula.

Sec. 229. Crime Statistics

Requires the DCD to create a hyperlink to the federal website which stores crime statistics information for Michigan's 28 community colleges.

Sec. 230. Abortion Services

Prohibits the use of state funds for abortion services.

Sec. 231. Benefits to Unmarried Partners

Prohibits the use of state funds for benefits to unmarried partners.

Sec. 233. Preventative Contraceptives

Encourages the colleges to ensure that preventative contraceptives are included in their insurance plans.

Sec. 234. Equal Opportunities

Encourages the colleges to promote equal opportunities and foster a diverse student body and administration.

Sec. 235. Admission and Enrollment Workgroup

Specifies a workgroup be formed to address acceptance and application of college credits.

Sec. 301. Manual for Uniform Financial Reporting (MUFR)

Requires that all financial data submitted by the colleges to the state comply with the MUFR.

Sec. 302. Prisoner Contact Hours

Excludes enrollment data for students incarcerated in Michigan penal institutions.

Sec. 401. At-Risk Student Success Program

Specifies methodology used to distribute at-risk funds, eligibility requirements for the program, appropriate use of at-risk funds, and language requiring the DCD to submit a report to the Legislature.

Sec. 402. Similar Increases for Universities and Colleges

Provides intent language to fund universities and colleges at the same level.

Sec. 403. Economic Development Job Training (EDJT) Grants

Earmarks at least 70 percent (\$18.5 million) of the EDJT funds appropriated in the Michigan Economic Development Corporation budget for workforce development training at community colleges.

Sec. 404. Postsecondary Access Student Scholarship Program

Provides scholarships to low- and-middle income community college students attending certain higher education institutions.



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